

## Message Text

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PAGE 01 JOHANN 00023 061145Z  
ACTION AF-10

INFO OCT-01 ISO-00 EB-08 /019 W  
-----083926 061227Z /23

R 060606Z JAN 78  
FM AMCONSUL JOHANNESBURG  
TO USDOC WASHDC  
INFO AMCONSUL CAPE TOWN  
AMCONSUL DURBAN  
AMEMBASSY PRETORIA  
SECSTATE WASHDC 7115

UNCLAS JOHANNESBURG 0023

E.O. 11652: N/A  
TAGS: BBSR, BEXP, SF  
SUBJECT: EXPORT ADMINISTRATION - SOUTH AFRICAN IMPORTER SEEKS  
CLARIFICATION ITS EXPORT LICENSE AUTHORITY ON BEHALF US PRINCIPALS.

REFS: 1) STATE311791, 2) JOHANNESBURG 2924, 3) JOHANNESBURG 2927

1. FURTHER TO REFTELS 2) AND 3) A.F.H. DEVERS HAS WRITTEN AGAN,  
CLAIMING THAT ITS PRINCIPAL, THE FOXBORO COMPANY, IS QUOTE BEING  
PLACED IN A POSITION OF SERIOUS COMMERCIAL DISADVANTAGE UNQUOTE  
BY THE DELAYS OR REJECTIONS OF ITS EXPORT LICENSE APPLICATIONS.  
MR. M.H. HILL, MANAGING DIRECTOR OF DEVERS, STATED IN A  
TELEPHONE CONVERSATION THAT THE EXPORT BUSINESS AT STAKE FOR  
FOXBORO IS IN THE ORDER OF SOME \$2 MILLION. HE ADDED THAT  
UNLESS U.S. SUPPLIERS CAN PROVIDE A TOTAL PACKAGE OF DIGITAL  
AS WELL AS ANALOG EQUIPMENT THEY STAND NO CHANCE AGAINST  
EUROPEAN AND JAPANESE COMPETITION. THE TEXT OF ITS LETTER IS  
AS FOLLOWS: QUOTE

2) WE WOULD LIKE TO REFER TO THE TELEPHONE CONVERSATION BETWEEN  
MR. KIRBY AND THE UNDERSIGNED WHICH TOOK PLACE A FEW WEEKS AGO  
REGARDING OUR LETTER MH/CH DATED 19TH OCTOBER ADDRESSED TO  
MR. KIRBY.

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WE APOLOGISE FOR THE DELAY IN RESPONDING TO YOUR REQUEST BUT  
NOW HAVE THE PLEASURE IN ENCLOSING CORRESPONDENCE WHICH CLARIFIES  
THE SITUATION REGARDING OUR DISTRIBUTION LICENSE V-1258-S,  
ISSUED BY THE U.S. DEPARTMENT OF COMMERCE, AND COVERING THE  
IMPORTATION OF DIGITAL COMPUTER SYSTEMS, PERIPHERAL EQUIPMENT,  
SPARE AND REPLACEMENT PARTS AND ACCESSORY ITEMS.  
IN JANUARY THIS YEAR THE LICENSE WAS SUSPENDED BY THE DEPARTMENT

OF COMMERCE PENDING THEIR RECEIPT, FROM US, OF ACERTIFICATION STATING THAT WE WOULD NOT SELL THIS EQUIPMENT TO CERTAIN SPECIFIED CUSTOMERS. THIS WAS DONE ON 24TH JANUARY, 1977 AND A TELEX DATED 16TH FEBRUARY, FROM FOXBORO, ADVISED US THAT THE DISTRIBUTION LICENSE HAD BEEN REINSTATED ON FEBRUARY 11TH. IN JUNE THE LICENSE WAS AGAIN SUSPENDED PENDINGTHE RECEIPT BY THE DEPARTMENT OF COMMERCE OF A FURTHER ASSURANCE INDICATING THAT WE WOULD NOT SELL DIGITAL EQUIPMENTTOTH THE MINISTRY OF BANTU AFFAIRS IN ADDITION TO THE OTHER SPECIFIED POTENTIAL CUSTOMERS. THIS WAS DONE IN OUR CERTIFICATION DATED 24TH JUNE, 1977 AND THE LICENSE WAS AGAIN REINSTATED.

IN MAY WE SUBMITTED, THROUGH THE FOXBORO COMPANY, AN APPLICATION FOR AN EXPORTLICENSE TO IMPORT PERIPHERAL DIGITAL EQUIPMENT FOR USE BY THE SOUTH AFRICAN ATOMIC ENERGY BOARD. THIS WAE REJECTED BY THE DEPARTMENT OF COMMERCE ON JULY 26TH AND A SUBSEQUENT APPEAL BY OUR PRINCIPALS WAS ALSO REJECTED. AS WEFEEL THAT THE FOXBORO COMPANY IS BEING PLACED IN A SITUATION OF SERIOUS COMMERCIAL DISADVANTAGE IT WAS THEN DECIDED TO MAKE REPRESENTATIONS TO YOU THROUGH MR. ALTY OF PROTEA HOLDINGS LIMITED AND OUR DISCUSSIONS RESULTED IN OUR LETTER TO YOU DATED 19TH OCTOBER, 1977. SHOULD YOU FEEL THATTHERS ANYTHING TO BE GAINED IN PURSUING THIS MATTER FURTHER WITH THE U.S. DEPARTMENT OF COMMERCE THEN WE WOULD BE PLEASED TO RECEIVE YOURAEVICE ON THIS SUBJECT. UNQUOTE.

3) CONGEN HAS INFORMED DEVERS THAT THE FOREGOING WILL BE REPORTED, UNCLASSIFIED

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AND MADE NO COMMENT BEYONDGUIDANCE REFTEL 1). NO ASSURANCE OR SOMMITMENTS WHATEVERWERE MADE AS TO WHAT ACTION, IF ANY, WOULD BE TAKEN BY THE DEPARTMENT.

4) ACTION REQUESTED. ANY GUIDANCE OR COMMENT THE DEPARTMENT MAY BE ABLE TO MAKE FOR RELAY TO DEVERS WOULD BE APPRECIATED. ENCLOSURES TO DEVERS' LETTER BEING TRANSMITTED BY POUCH. JOHNSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 01 jan 1960  
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**Drafter:** n/a  
**Enclosure:** n/a  
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**Reference:** 78 STATE 311791, 78 JOHANNESBURG 2924, 78 JOHANNESBURG 2927  
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**Review Markings:**  
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